

Opening Statement by Rep. Henry A. Waxman
Mark-up of the Medicare Prescription Drug Benefit and other proposals
Committee on Energy and Commerce
June 18, 2002

Today this Committee should have the historic opportunity to make the most important improvement in the Medicare program since its inception.

Today we should be taking action to provide seniors and disabled Americans with critical coverage of prescription drugs that is long overdue.

That coverage should be certain, it should be affordable, and it should be an integral part of the Medicare program.

But when this Committee completes action on the plan that the Republican majority has put before us today, this Committee will have lost this opportunity.

This Republican plan is less about providing comprehensive prescription drug coverage than it is about privatizing the drug plan and starting us down the road of privatizing Medicare.

This plan is less about providing security from drug costs than it is about providing electoral security for Republicans next November.

This proposal abandons the strengths of Medicare.

Medicare provides a defined benefit, with the guarantee that its benefits will be available to all beneficiaries. This prescription drug plan does not.

Medicare provides coverage for seniors and disabled persons for an established premium that is the same no matter where you live or how old or sick you are. This prescription drug plan does not.

Medicare provides complete coverage of the benefits in the program. This prescription drug plan does not. Instead, after a person uses \$2000 worth of drugs, the benefit disappears altogether. The premium continues. But help does not, or at least not until an excessive amount of out-of-pocket costs are paid by the beneficiary.

Medicare provides for a standard coinsurance of 20%; some plans eliminate that or make it smaller, but Medicare never requires a person to pay more. This prescription drug plan has no such protection. In fact, it clearly establishes coinsurance of 50% after the first \$1000 of drugs are used, and 100% after \$2000 of drugs are needed. Nearly half of Medicare beneficiaries will find themselves in this no man's land where there is no help.

And even if they finally do hit the catastrophic limit—which under this Republican plan is extremely hard to do, the next year the cycle will start all over.

It almost seems to be a benefit designed to make people dissatisfied with it.

Finally, in Medicare, every beneficiary has the choice of getting coverage through traditional fee-for-service Medicare, although they are also free to enroll in Medicare+Choice plans where they are available. Under this prescription drug plan they do not. They have to rely on the availability of privately-sold insurance plans who are both at risk and in the business to make a profit.

It seems more honest to say it's the Medicare beneficiary who's at risk under this scheme.

So today, truly, an opportunity will be lost.

Each of the members of this Committee will have lost the opportunity to deliver on the promise of a real prescription drug benefit in Medicare.

But the tragedy is, it is the senior citizens and disabled beneficiaries of this country that are the losers.